

Lecture 1 – May 7, 2013

Chapter 1 – Organizational Behaviour

What is organizational behaviour?

- The attitudes and behaviours of individuals and groups in organizations
- How organizations can be structured more effectively
- How events in the external environment affect organizations

What does organizational behaviour help us to do?

- Predict organizational behaviour and events
- Explain organizational behaviour and events in organizations
- Manage organizational behaviour

Early Studies of Management

- Attempts to prescribe the “correct” way to manage an organization and achieve its goals:
 - Classical view
 - Scientific Management
 - Bureaucracy
 - Human relations view

The Contingency Approach

- The general answer to many of the problems in organizations is: “it depends”
- Dependences are called contingencies
- The contingency approach to management recognizes that there is no one best way to manage
- An appropriate management style depends on the demands of the situation

What is personality?

- The relatively stable set of psychological characteristics that influences the way an individual interacts with his or her environment and how he or she feels, thinks, and behaves
- Determined by genetic predisposition and one’s long term learning history
- People have a variety of personality characteristics, commonly known as personality traits

Personality & Organizational Behaviour

- Personality has a long history in OB
- The role of personality in OB has often been debated in what is known as the “person-situation debate”
- This has led to three approaches:
 - The dispositional approach
 - The situational approach
 - The interactionist approach

Personality & the Situation

- Situations can be described as being either “weak” or “strong”
- In the “weak” situation, roles are loosely defined; there are few rules and weak reinforcement and punishment contingencies => Example: research lab
- Personality has the strongest effect in weak situations
- In the “strong” situations, roles are strictly defined; there are many rules and strong reinforcement and punishment contingencies => Example: military

Implications of the Interactionist Approach

- Some personality characteristics are useful in certain organizational situations
- There is no one “best” personality
- Appreciate the advantages of employee diversity
- The importance of fit – putting the right person in the right job, group, or organization

The “Big Five” and Organizational Behaviour

- High Extraversion: jobs that require interpersonal interaction

Example: sales, public relations

- Emotional Stability: will have more effective interactions with co-workers and customers

Example: 911 call receivers

- Agreeableness: jobs that require interaction and involve helping, cooperating, and nurturing others; also jobs with teamwork and cooperation

Example: nursing, counselors

- Conscientiousness: performance on most jobs due to hard work and achievement

Example: ALL

- Openness to Experience: jobs that involve learning and creativity

Example: journalism, think-tank, engineers

Self-Monitoring

- The extent to which people observe and regulate how they appear and behave in social settings and relationships

- People with high self-monitors:

- Observe and control the images that they project

- Engage in socially appropriate behaviour

- Are more involved in their jobs, perform better, and are more likely to emerge as leaders

- Are likely to experience more role stress and show less commitment to their organization

- Do not feel comfortable in ambiguous settings such as different cultures

Self-Esteem

- The degree to which a person has positive self-evaluation

- People with high self-esteem:

- Have favourable self-images

- Are less susceptible to external/social influences

- React less badly to negative feedback

- Make more fulfilling career decisions and have higher job satisfaction and job performance

- Are more resilient to the strains of everyday work life

Positive & Negative Affectivity

- People who are high on positive affectivity (PA) experience positive emotions and moods and view the world in a positive light

- People who are high on negative affectivity (NA) experience negative emotions and moods and view the world in a negative light

- PA and NA are emotional dispositions that predict people's general emotional tendencies

Proactive Personality

- A reflectively stable personal disposition that reflects a tendency to behave proactively

- Proactive behaviour: taking initiative across a range of situations to effect positive change

- Proactive behaviour is correlated with:

- Job performance

- Tolerance for stress

- Leadership effectiveness

- Participation in organizational initiatives

- Work team performance

- Entrepreneurship

- Career success

General Self-Efficacy

- A general trait that refers to an individual's belief in his or her ability to perform successfully in a variety of challenging situations

- General self-efficacy (GSE) is a motivational trait rather than an affective trait

- Individuals with higher GSE”
 - Are better able to adapt to novel, uncertain, and adverse situations
 - Have higher job satisfaction and job performance

Core Self-Evaluations

- A broad personality concept that consists of more specific traits that reflect the evaluations people hold about themselves and their self-worth, competence, and capability
- People with more positive core self-evaluations have higher:
 - Job satisfaction
 - Life satisfaction
 - Job performance
 - Capability
- Example Study of Life Insurance Agents

Chapter 2 – Learning

What is learning?

- A relatively permanent change in behaviour potential as a result of practice or experience
- Learn practical skills, intrapersonal, interpersonal skills, and culture awareness
- The practice of experience that prompts learning stems from an environment that provides feedback concerning the consequences of behaviour

Operant Learning Theory

- Discovered by B.F. Skinner
- The subject learns to operate on the environment to achieve certain consequences
- Operantly learned behaviour is controlled by the consequences that follow it
- It is the connection between the behaviour and consequence that is learned

Lecture 2 – May 14, 2013

Object 1: Increase or Maintain Desired Behaviour

Strategy 1: Positive Reinforcement

- Step 1: What is the desired behaviour?
 - Initiative
- Step 2: What positive outcome does the employee value?
 - Praise
- Step 3: Provide the positive outcome when the employee engages in the desired behaviour.
 - Praise the employee when he/she shows initiative

Strategy 2: Negative Reinforcement

- Step 1: What is the desired behaviour?
 - Initiative
- Step 2: What negative outcome occurs when the desired behaviour does not occur?
 - Employee is reminded when he/she ignores a problem
- Step 3: Remove the negative outcome whenever the desired behaviour occurs.
 - Do not remind the employee when he/she shows initiative

Objective 2: Decrease an Undesired Behaviour

Strategy 1: Punishment

- Step 1: What is the undesired behaviour?
 - Ignoring problems
- Step 2: What negative outcome does the employee find distasteful?

- Working on the weekend
- Step 3: Apply the negative outcome when the employee engages in the undesired behaviour
 - Make the employee work on the weekend when he/she ignores a problem

Strategy 2: Extinction

- Step 1: What is the undesired behaviour?
 - Ignoring problems
- Step 2: What positive outcome is currently linked with the undesired behaviour?
 - Somebody else looks after it
- Step 3: Remove the positive outcome whenever the undesired behaviours occur
 - Don't let anyone else fix the problem

Other Considerations: Reinforcement

- Schedule of reinforcement matter – continuous or partial (intermittent)
- Type of reinforcements matter and how they are administered
- Need to be contingent on some specific desired behaviour – Rewards vs. Reinforcers
- Beware of punishment

Social Cognitive Theory

- Emphasizes the role of cognitive processes in regulating people's behaviour
- People learn by observing the behaviour of others and can regulate their own behaviours by thinking about the consequences of their actions, setting goals, monitoring performance, and rewarding themselves
- Albert Bandura is best known

Components of Cognitive Social Theory

- Observational Learning (Modeling)
 - The process of imitating the behaviour of others
- Self-Efficacy
 - Beliefs people have about their ability to successfully perform a specific task
- Self-Regulation
 - Pursuit of self-set goals that guide behaviour

Organizational Learning Practices

- Organizational learning practices include:
 - Organizational behaviour modification
 - Employee recognition programs
 - Training programs
 - One of the most widely used and effective methods of training behaviour modeling training (BMT), which is based on social cognitive theory.
 - Career development

Chapter 3 – Perception

What is Perception?

- The process of interpreting the messages of our senses to provide order and meaning to the environment.
- People base their actions on the interpretation of reality that their perceptual systems provides, rather than on reality itself

Selective Perception/Attention

- Selective: perceivers do not use all of the available cues – some given special emphasis
- Perception is efficient but this can aid and hinder perceptual accuracy
- Constancy: the tendency for the target to be perceived in the same way over time and across situations
- Consistency: the tendencies to select, ignore, and distort cues so that they fit together to form a homogenous picture of the target

Basic Biases on Person Perception

- The impressions we form of others are susceptible to a number of perceptual effects

=> Primacy and Recency Effects

- The reliance on early cues or first impressions is known as the primacy effect

- Primacy often has a lasting impact

- The tendency for a perceiver to rely on recent cues or last impressions is known as the recency effect

=> Halo/Horns Effect

- The tendency to use one trait or characteristic to infer other traits or characteristics

=> Central Trait Tendency

- People tend to organize their perceptions around central traits

=> Implicit Personality Theory

- Personal theories that people have about which personality traits go together

=> Projection

- The tendency for perceivers to 'project' their own thoughts and feelings to others

=> Stereotyping

- The tendency to generalize about people in a social category and ignore variations among them

Attribution: Perceiving Causes and Motives

- Attribution is the process by which we assign causes or motives to explain people's behaviours

- An important goal is to determine whether some behaviour is caused by dispositional or situational factors

Attribution Cues

- We rely on external cues and make inferences when making attributions:

1. Does the person engage in behaviour regularly and consistently over time? Consistency cues

2. Do most people engage in the behaviour, or is it unique to this person? Consensus cues

3. Does the person engage in the behaviour in many situations, or is it distinctive to one situation? Distinctiveness cues

Beware of Biases in Attribution

- Although observers often operate in a rational, logical manner in forming attributions about behaviours, this does not mean that such attributions are always correct

- Three biases in attribution:

1. Fundamental Attribution Error

- The tendency to overemphasize dispositional explanations for behaviour at the expense of situational explanations for others

- We often discount the strong effects that social cues can have on behaviour

- We fail to realize that observed behaviour is distinctive to a particular situation

2. Self-Serving Bias

- The tendency to take credit for successful outcomes and to deny responsibility for failures

- People will explain the very same behaviour differently on the basis of events that happened after the behaviour occurred

- Self-serving bias can reflect intentional self-promotion or excuse-making or it might reflect unique information on the part of the actor

3. Actor-Observer Effect

- The propensity for actors and observers to view the causes of the actor's behaviour differently

- Actors are prone to attribute much of their own behaviour to situational factors while observers are more likely to invoke dispositional causes

- Why are actors prone to attribute much of their own behaviour to situational cases?

Lecture 3 – May 21, 2013

Chapter 4 – Values & Attitudes

What are values?

- A broad tendency to prefer certain states of affairs over others
- Values have to do with what we consider good and bad
- Values are motivational and very general
- They differ across occupational groups, cultures, and generations

Generational Differences in Values

- There are four distinctive generations in the workplace today:
 - Traditionalists (1922-1945)
 - Baby boomers (1946-1964)
 - Generation X (1964-1980)
 - Millennials/Generation Y (1981-2000)

Values Across Cultures

- Geert Hofstede's study
- Discovered four basic dimensions:
 1. Power Distance
 2. Uncertainty Avoidance
 3. Masculinity/Femininity
 4. Individualism/Collectivism
 5. Long-Term/Short-Term Orientation (with Michael Bond)

What are attitudes?

- A fairly stable evaluative tendency to respond consistently to some specific object, situation, person, or category of people
- Attitudes are a function of what we think and what we feel
 - Belief + Value = Attitude => Behaviour

Example in the workplace:

- A **belief** that my job is interfering with my personal life
- Combined with strong family **values** – family connectedness => I dislike anything that interferes with my family life
- Produces an **attitude** => I dislike my job
- Leads to a **behaviour** => I will start looking for another job

What behaviour do we care about in the workplace?

- Job Performance:
 - Behaviour (the actions employees do)
 - That is under employees' control
 - That is relevant to organizational goals
- Three types:
 - Task Performance
 - Organizational Citizenship Behaviour
 - Counterproductive Work Behaviour

Job Performance

1. Task Performance
2. Organizational Citizenship Behaviours (OCB)
 - Voluntary
 - Spontaneous and discretionary
 - Unlikely to be rewarded

- In aggregate benefits the organization
- Examples:
 - Altruism: helping others
 - Courtesy: respectful of others
 - Diligence: meeting deadlines, following rules
 - Sportsmanship: positive representation within and outside organization
 - Civic Virtue: political life of organization (it's time consuming to volunteer)

3. Counterproductive Work

- Against the organization
 - Theft
 - Destruction of property
 - Misuse of time/resources
 - Poor attendance, tardiness
 - Poor quality of work
 - Use of drugs/alcohol
- Against organization members
 - Inappropriate verbal comments
 - harmful physical behaviour
 - political deviance

What is job satisfaction?

- The set of attitudes that workers have about their jobs
- Facet satisfaction
 - The work itself
 - Compensation
 - Career opportunities
- Overall satisfaction: is an average or total of the attitudes individuals hold toward various facets of the job

What determines job satisfaction?

- A person's job satisfaction is determined by a number of factors:
 - Discrepancy Theory
 - Equity Theory
 - Fairness
 - Affective Events Theory

Discrepancy Theory

- A theory that job satisfaction stems from the discrepancy between the job outcomes wanted and the outcomes that are perceived to be obtained
- Example: Research says ...
- Satisfaction with one's pay is high when there is a small gap between the pay received and the perception of how much pay should be received

Equity Theory

- Job satisfaction stems from a comparison of the inputs one invests in a job and the outcomes one receives in comparison to the inputs and outcomes of another person or group
- Equity exists when:

$$\text{My outcomes/my inputs} = \text{other's outcomes/other's inputs}$$

Fairness

- Distributive fairness => the outcomes we receive
- Procedural fairness => the process that led to those outcomes
- Interactional fairness => how these matters were communicated to us

Affective Events Theory

- Emotions and moods can also influence job satisfaction
- Organizational events and happenings can provoke emotions and influence moods depending on how they are appraised

Disposition

- Some people are predisposed to be more or less satisfied with their job
- Job satisfaction is related to personality traits

Why do we care about job satisfaction?

- Consequences:
 - Turnover
 - Absence from work
 - Performance
 - Organizational citizenship behaviour (OCB)
 - Customer satisfaction and profit
- Antecedents:
 - Mentally challenging work
 - Adequate compensation
 - Career opportunities
 - People

What is organizational commitment?

- Organizational commitment is an attitude that reflects the strength of the linkage between an employee and an organization
- There are three different types of organizational commitment:
 - Affective commitment
 - Continuance commitment
 - Normative commitment

Lecture 4 – May 28, 2013

Chapter 5 – Motivation

What is motivation?

- The extent to which **persistent effort** is **directed** toward a **goal**
- The basic characteristics of motivation:
 - => Effort
 - => Persistence
 - => Direction
 - => Goals

Intrinsic motivation

- Motivation that stems from the direct relationship between the worker and the task
- Doing something because it is **inherently interesting or enjoyable**

Extrinsic motivation

- Motivation that stems from the **work environment external** to the task itself
- Doing something to get a reward

Motivation and performance

- (Job) performance = motivation * ability
- “Ability”:
 - => Personality traits
 - => Cognitive ability (intelligence)
 - => Task proficiency/ understanding

Need Motivation Theories

- => Maslow’s hierarchy of needs
 - Physiological
 - Safety
 - Belongingness
 - Esteem
 - Self-actualization
- => Aldefefer’s ERG theory
 - Existence
 - Relatedness
 - Growth
- => McClelland’s theory
 - Motivation stems from the desire to fulfill needs
 - Needs: psychological and physiological
 - A non-hierarchical need theory of motivation
 - Needs reflect relatively stable personality characteristics
 - Concerned with the behaviour consequences of 3 needs: achievement, affiliation, and power
 - People will be motivated to seek out and perform well in jobs that match their needs

Managerial implications of Need Theories

- Appreciate **diversity of the needs** of individual employees
- Offer **personalized** incentives and goals
- Appreciated the motivational potential on intrinsic motivators and the existence of higher-order needs
- ERG – need to satisfy basic needs first!

Process Theories of Work Motivation

- Motivation theories that specify the details of how motivation occurs
- Three important process theories:
 - => Equity theory
 - => Goal setting theory
 - => Expectancy theory
- Also, job characteristics model – job design as a motivator

How to Motivate: Managerial Principles

- Employees want to be treated **fairly** compared to others
- Employees need **goals**
- Employees want to **see clear relationships** between effort, performance, and desirable outcomes
- **Job design** is a powerful motivator

Equity Theory

- Perceived **equity of the distribution of rewards** (e.g. access to high-profile project, bonus, promotion, etc.) among employees
- Equity exists when the employees feel his/her inputs (experience, skills, efforts, etc.) **are valued as much as those of similar others**
- **Individuals are motivated to maintain an equitable exchange relationship**

$$\text{Equity: } \frac{\text{my outcome}}{\text{my inputs}} = \frac{\text{other's outcomes}}{\text{other's inputs}}$$

- Inequity: under compensation $\frac{\text{my outcome}}{\text{my inputs}} < \frac{\text{other's outcomes}}{\text{other's inputs}}$
- Overcompensation: rationalize...no reaction $\frac{\text{my outcome}}{\text{my inputs}} > \frac{\text{other's outcomes}}{\text{other's inputs}}$

Ways to Restore Equity

- Modify truly or perceptually
- => Own input or outcome
- => Comparison to other's input or outcome
- Change the comparison "other"
- Leave the situation
- Research findings:
 - => Supportive of theory for under-compensation
 - => Little evidence for overcompensation inequity
 - => Individual differences exist in equity sensitivity

Equity Theory: Managerial Implications

- => Negative motivational consequences of perceived under-compensation
 - Absenteeism, turnover, dissatisfaction, theft...
- => Understand that equity is a **perception**
 - Seek to understand who is comparison other, and what is being compared
- => Comparison "other" may be **outside** the organization
 - Be aware of competitor's policies

Goal Setting Theory: Employees Need Goals

- Organizations have goals – these need to be translated into individual employee goals
- Goals are **most motivational** when they are:
 - => **Specific**
 - => **Challenging**
 - => **Those** to which organizational members are **committed**
 - => **Those** for which employees receive **accurate** and **timely feedback** on their progression

Goal Setting: Managerial Implications

- Break up larger and ambiguous individuals and organizational goals into **smaller specific ones**
- When there is **distrust** between employees and managers, use **participative** goal setting (rather than imposed goals)
 - Provide **accurate feedback**
 - Set **learning goals** for complex or novel tasks
 - **Managerial by objectives (MBO)**
 - **Organizational program** aimed at facilitating goal establishment, goal accomplishment, and employee development
 - Translate organizational goals into specific **behaviour objectives** for employees

Expectancy Theory

- Employees need to see clear links between **efforts, performance and outcomes**
- Premise: people will be motivated to perform work activities that they find **attractive, feel they can accomplish, and lead to valued outcomes**
- => **Core components:**
 - Expectancy: belief that effort → performance
 - Instrumentality: belief that performance → outcome
 - Valence: degree to which an individual values an outcome
 - Outcomes:
 - The consequences that may follow certain work behaviour

- First-level outcomes: are of particular interest to the organization (ex: productivity, sales)
- Second-level outcomes:
 - => Are of interest to the individual worker
 - => Are the consequences that follow the attainment of a particular first-level outcomes (ex: pay, bonus)
- Force: represents the relative degree of effort that will be directed toward various first-level outcomes

Instrumentality (performance-outcome link)

- The probability that a particular first-level outcomes (his performance – ex: high productivity) will be followed by a particular second-level outcome (ex: outcome – promotion or pay raise)

Valence

- The **expected value of outcomes** – the extent to which they are attractive or unattractive to the individual
- The valence of **first-level outcome** is the **sum of products** of the associated **second-level outcomes and their instrumentalities**
- The valence of a particular first-level outcome = \sum instrumentalities x second-level valences

Expectancy (Effort-Performance Link)

- The probability that the worker can actually achieve a particular first-level outcome
- If he puts in the right level of effort, can he achieve a particular level of performance?

Force

- Force is the end product of the other components of the theory
- Represents the relative degree of effort that will be directed toward various first-level outcomes
 - Force = first-level valence x expectancy
- We can expect tony to direct his efforts toward the first-level outcome that has the largest force product

Managerial Implications of Expectancy Theory

What can managers do?

- Boost expectancy
- Clarify reared contingencies
- Appreciate diverse needs

1. Improving Expectancy – improve the ability of the individual to perform

- Make sure that employees have the tools, equipment, skills and team in place
- Provide training
- Clarify expectations
- Explain how performance is evaluated
- Listen to employees'
- Make sure link between effort and performance is clear

2. Improving instrumentally – improve the individual's belief that performance will lead to valued outcomes

- Deliver rewards as promised
- Ensure policies are clear (e.g. promotions) and understood by all
- Ensure managers also provide intrinsic rewards
- Make sure that the link between performance and outcome is clear

3. Improving valence – make sure that the reward is meaningful to the individual

- Ask employees what rewards they value
- Appreciated diversity of employees and their values
- As much as possible, design motivational packages that meet employees needs
- Remember equity theory!

Chapter 6

Money as a Motivator

- Piece-rate: workers are paid a certain sum of money for each unit production completed
- Wage incentive plan: systems that link pay to performance of production jobs

Potential problems with Wage Incentives

- Wage incentives can **increase productivity at the expense of quality**
- A threat to the establishment of wage incentives exists when workers have **differential opportunities** to produce at a high level
- Wage incentives that reward individual productivity might **decrease cooperation** among workers
- The way **jobs are designed** can make it very difficult to install wage incentives

Job Design as a Motivator

- The goal of job design is to identify the **characteristics that make some tasks more motivating** than others and to capture these characteristics in the design of jobs
- An attempt to capitalize on **intrinsic motivation**

The Job Characteristic Model

- **Skill variety**: the opportunity to do a variety of job activities using various skills and talents
- **Task identity**: doing a complete piece of work, from beginning to end
- **Task significance**: the impact that a job has on people
- **Autonomy**: the freedom to schedule one's own work activities and work procedures
- **Job feedback**: the opportunity to receive immediate feedback

Motivating Potential core

- The motivating potential score (MPS) of a job is calculated using the following formula:
$$\text{MPS} = (\text{Skill Variety} + \text{Task Identity} + \text{Task Significance})/3 \times \text{Autonomy} \times \text{Feedback}$$
- Developed the job diagnostic survey to measure this

Job Enrichment

- The design of jobs to enhance:
 - => Intrinsic motivation
 - => Quality of working life
 - => Job involvement
- Strategies:
 - => Combining tasks
 - => Establishing external client relationships
 - => Establishing internal client relationships
 - => Reducing supervision or reliance on others
 - => Forming work teams
 - => Increasing direct feedback

Potential Problems with Job Enrichment

- Problems can occur when it is instituted without a careful diagnosis of the needs of the organization and particular jobs in question
- Beware job enlargement!
- Job enrichment can encounter a number of challenging problems:
 - => Poor diagnosis
 - => Lack of desire or skill
 - => Demand for rewards
 - => Union resistance
 - => Supervisory resistance

Lecture 6 – June 11, 2013

What is a group?

- A group consists of two or more people interacting interdependently to achieve a common goal
- Formal work groups – are established by org to facilitate the achievement of organizational goals
- Informal work groups – emerge naturally

Group Size

=> Satisfaction

- Larger groups => consistently report less satisfaction than those in smaller groups

=> Performance

- Depends on the task and on how we define good performance

=> Types:

- Additive tasks
- Disjunctive tasks
- Conjunctive tasks

Additive Tasks

- Tasks in which group performance is dependent on the sum of the performance of individual group members
- For additive tasks, the potential performance of the group increases with group size

Disjunctive Tasks

- Tasks in which group performance is dependent on the performance of the best group member
- The potential performance of groups doing disjunctive tasks increases with group size
- The opposite occurs with Conjunctive tasks – Limited by its poorest performer

Diversity of Group Membership

- More difficult time communicating effectively and becoming cohesive
- Might take longer to do their forming, storming, and norming
- Once they do develop, diverse groups are equally cohesive and productive as less diverse groups
- Sometimes perform better when the task requires cognitive, creative tasks and problem solving

Group Norms

- Collective expectations that members of social units have regarding the behaviour of each other
- They are codes of conduct against which we evaluate the appropriateness of behaviour
- Most normative influence is unconscious
- Examples: dress norms, performance norms

Roles

- Positions in a group that have a set of expected behaviours attached to them
- Roles represent “packages” of norms that apply to particular group members
- There are two basic kinds of roles in organizations:
 - => Assigned roles
 - => Emergent roles

Role Ambiguity

- Lack of clarity of job goals/methods
- There are a variety of elements that can lead to role ambiguity:
 - => organizational factors
 - => the role sender
 - => the focal person

Role Conflict

- A condition of being faced with incompatible role expectations
- There are four types of role conflict:
 - => intrasender role conflict
 - => intersender role conflict
 - => interrole conflict
 - => person-role conflict

Group Cohesiveness

- A critical property of groups
- The degree to which a group is especially attractive to its members
- Members want to stay in the group and they describe the group in favourable terms
- Cohesiveness is a relative, rather than absolute, property of groups

Factors Influencing Cohesiveness

- Threat and Competition
- Success
- Member diversity
- Size
- Roughness of initiation

Consequences of Cohesiveness

- More participation in group activities
- More conformity
- More success
- In highly cohesive groups, the productivity of individual group members is similar to other members; in less cohesive groups, there is more variation in productivity
- However, highly cohesive groups can be less productive than less cohesive

Group Think

- Another potential consequence of extreme group cohesiveness
- Psychologist Irving Janis
- Group pressures lead to impaired decision-making
- Unanimity stressed over quality of decisions
- Other factors also contribute

Lecture 7 – June 18, 2013

Social Influences in Organizations

- In many social settings, and especially in groups, people are highly dependent on others
- This dependence sets the stage for social influence to occur
- Two kinds of dependence are information dependence and effect dependence

Information Dependence

- Reliance on others for information about how to think, feel, and act
- Gives others the opportunity to influence our thought, feelings, and actions via the signals they send to us
- The effects of social information can be very strong, often exerting as much or more influence over others as objective reality
- Especially true in unknown situations

Effect Dependence

- Reliance on others due to their capacity to provide rewards and punishment
- The group frequently has a vested interest in how individual members think and act – affect goal attainment
- Group members desire the approval of the group

Social Influences in Action

- One of the most obvious consequences of information and effect dependence is the tendency for group members to conform to the social norms that have been established by the group

Motives for Social Conformity

- The motives for social conformity vary across situations and can be classified as follows:
- => Compliance – prompted by the desire to acquire rewards; simplest, more direct motive for conformity
- => Identification – identify with those who promote the norm (similar or attractive)
- => Internalization – true acceptance of beliefs, values and attitudes that underlie the norm

The Subtle Power of Compliance

- Compliance can lead to identification with group members, which in turn leads to internalization
- Simple compliance can set the stage for more complete involvement with organizational norms and roles – a process known as organizational socialization

The Socialization Process

- Socialization is the process by which people learn the attitudes, knowledge, and behaviours that are necessary to function in a group or organization

Realistic Job Previews

- The provision of a balanced realistic picture of the positive and negative aspects of the job to job applicants
- Clarify expectations at the anticipatory socialization stage
- Compared to the traditional preview process that often sets expectations too high by ignoring the negative aspects of the job
- Results in better fit through self-selection

Psychological Contract

- Beliefs held by employees regarding the reciprocal obligations and promises between them and their organization
- Example: an employee might expect to receive bonuses and promotions in return for hard work and loyalty
- But a breach of the psychological contract may occur!
- From unrealistic job previews, recruiter promises, unfulfilled obligations

Employee Orientation Programs

- Orientation programs are designed to introduce new employees to their job, the people they will be working with, and the organization
- Research shows:
 - => Positive immediate effect on learning; a lasting effect on the job attitudes and behaviours of new hires
 - => Attendees are more socialized – have a greater knowledge and understanding of the organization
 - => Higher organizational commitment
 - => Reduced turnover

Mentoring

- A mentor is an experienced or more senior person in the organization who provides advice, counseling, role modeling and guidance to a more junior person or protégé
- Mentors perform two types of mentor functions:
 - => Career functions
 - => Psychosocial functions
- Research shows: mentored individuals have higher job objective (ex: compensation) and subjective career outcomes (ex: career satisfaction)

What is organizational culture?

- The shared beliefs, values, and assumptions that exist in an organization
- Determines the norms that develop and the patterns of behaviour that emerge from these norms

- Culture => Norms => Behaviour
- Culture provides uniqueness and social identity to organizations
- It represents a true “way of life” for organizational members
- It tends to be fairly stable over time

The hardware and software division have rather different beliefs, values, and assumptions. This illustrates the operation of...

- A) Symbolic cultures
- B) Ritual cultures
- C) Strong cultures
- D) Subcultures**
- E) Pathological cultures

Subcultures

- An organization can have several cultures or what are known as subcultures
- Subcultures are smaller cultures that develop within a larger organizational culture that are based on differences in training, occupation, or departmental goals
- Effective organizations develop an overarching culture to manage differences between subcultures

The “Strong Culture” Concept

- A strong culture is an organizational culture with intense and pervasive beliefs, values, and assumptions
- A strong culture provides great consensus concerning “what the organization is about”
- Weak cultures are fragmented and have less impact on organizational members
- Strong cultures are associated with greater success and effectiveness

Assets of Strong Cultures

- Coordination: the overarching values and assumptions of strong cultures can facilitate communication and coordination
- Conflict Resolution: sharing core values is a powerful mechanism for resolving conflicts
- Financial Success: strong cultures contribute to financial success and organizational effectiveness when the culture supports the mission, strategy, and goals of the organization

Liabilities of Strong Cultures

- Resistance to Change: can prove very resistant to change and damage a firm’s ability to innovate
- Culture Clash: strong cultures can mix badly when a merger or acquisition pushes two of them together under the same corporate banner
- Pathology: some strong cultures are, in some sense, pathological

Contributors to the Culture

- How are cultures built, maintained, and changed?
- Two key factors that contribute to the foundation and continuation of organizational cultures
 - => The founder’s role
 - => Socialization

Socialization Steps in Strong Cultures

- => Selecting employees
- => Debasing and hazing
- => Training “in the trenches”
- => Rewards and promotion
- => Exposure to core culture
- => Organizational folklore
- => Role models

Diagnosing a Culture

- One way to grasp a culture is to examine the symbols, rituals, and stories that characterize the organization's way of life
- For insiders, symbols, rituals, and stories are mechanisms that teach and reinforce the culture
- Also, physical setting, dress, behaviours, etc.

Lecture 8 – June 25, 2013

Chapter 9 – Leadership

What is leadership?

- The influence that particular individuals exert on the goal achievement of others in an organizational context
- Some people in organizations occupy formal or assigned leadership roles with authority to direct employees
- Individuals might also emerge to occupy informal leadership roles

Why is leadership so important?

- Subordinates who work for managers with good leadership skills will generally:
 - => *know* how to achieve levels of performance
 - => *want* to achieve higher levels of performance
 - => *like* their jobs
 - => feel *affectively committed* to their organization
 - => *want* to stay within the organization

Managers vs. Leaders

- John Kotter, Harvard Business School: “managers promote stability while leaders press for change and only organizations that embrace both sides of the equation can survive”

Early Leadership Theories

- What traits do effective leaders possess?
 - => Intelligence, energy, self confidence, dominance, motivation to lead, emotional stability, honest and integrity, need for achievement

Limitations of the Trait Approach

- Do traits make the leader or does the opportunity for leadership produce the traits?
- Does not tell us what leaders do to influence others successfully
- It does not take into account the situation in which leadership occurs

The Behaviour of Leaders

- The most involved, systematic study of leadership begun at Ohio State University in the 1940s
- Employees described their superiors along a number of behavioural dimensions
- The results revealed two basic kinds of behaviour
 - => Consideration
 - => Initiating Structure

Consideration

- The extent to which a leader is approachable and shows personal concern and respect for employees
- The considerate leader is friendly and egalitarian, expresses appreciation and support, and is protective of group welfare

Initiating Structure

- The degree to which a leader concentrates on group goal attainment
- The structuring leader:
 - => clearly defines and organizes her role and the roles of followers
 - => stresses standard procedures and schedules the work that has to be done
 - => assigns employees to particular tasks

Situational Theories of Leadership

- The situation refers to the setting in which influence attempts occur
- The basic premise – the effectiveness of a leadership style is contingent on the setting
- Two situational theories of leadership that are among the best known and most studied
 - => Fiedler's Contingency Theory
 - => House's Path-Goal Theory

Fiedler's Contingency Theory

- Leader success is contingent upon:
 - => Situational Favourability:
 1. Leader-Member Relations
 2. Task Structure
 3. Position Power
 - Some situations are more favourable than others and these situations require different orientations on the part of the leader
 - Either a task or relationship leader – depends upon how you describe your LPC

Participating Leadership: Involving Employees in Decisions

- Participative Leadership means involving employees in making work-related decisions
- Leaders can vary in the extent to which they involve employees in decision making
- Minimally, participating involves obtaining employee opinions before making a decision
- Maximally, it allows employees to make their own decisions within agreed-on limits
- Participating can involve individual employees or the entire group of employees
- The choice of an individual or group participation strategy should be tailored to specific situations
- Advantages vs. disadvantages
- Vroom and Jago (page 300)

Leader-Member Exchange (LMX) Theory

- Focuses on the quality of the relationship that develops between a leader and an employee
- Effective leadership processes result when leaders and employees develop and maintain high-quality social exchange relationships
- High LMX involves:
 - => a high degree of mutual influence and obligations
 - => trust, loyalty, and respect between a leader and an employee

Transactional Leadership

- Leadership is based on a fairly straightforward exchange between the leader and the followers:
 - => Contingent Reward Systems
 - => Management by Exception – the leader monitors follower behaviour anticipates problems, and takes corrective actions before the behaviour creates serious problems

Transformational Leadership

- Leadership that provides followers with a new vision that instills true commitment
- Change the beliefs and attitudes of followers to correspond with a new vision and motivates them to achieve performance beyond expectations
- Four key dimensions:
 - => Intellectual stimulation
 - => Individualized consideration
 - => Inspirational motivation
 - => Charisma (ex: Adolf Hitler, Pierre Elliot Trudeau, Mahatma Gandhi, Darth Vader)

Lecture 9 – July 2, 2013

What is decision-making?

- Developing a **commitment** to some **course of action or judgment**
 - Choice or judgment
 - Problem Solving
- => A problem is a perceived gap between existing state and a desired state

Two types of Problems

- Well-Structured Problem
- => A problem for which the **existing state is clear**, the **desired state is clear** and **how to get from one state to another is fairly obvious**
 - Ill-Structured Problem

=> A problem for which the **existing and/or desired states are unclear** and/or the **method of getting to the desired state is unknown**

Are decision-makers rational?

- Yes, on very rare occasions!

Bounded Rationality

- A decision strategy that relies on **limited (or faulty) information** and that reflects **time constraints** and **political considerations**
 - Two characteristics of BR:
- => Framing: identify, assumptions decision/issue
- => Cognitive Biases: perceptual bias

Step 1: Problem Identification

- 4 Types of Frames:
- => **Perceptual Defense**: don't see what you don't want to
- => **Multidisciplinary Teams**: problem defined in terms of functional specialty
- => Problem defined in terms of **solutions**
- => Problems diagnosed in terms of **symptoms**

Step 2: Information Search

- **Too little** information due to cognitive biases
- => Recency effect, primacy effect, confirmation bias etc.
- **Too much** information
- => Can lead to information overload, which results in confusion and errors
- => More is not better

Step 3&4: Alternative Development & Evaluation

- Two strategies:
- => Maximizing > Rational
- => Satisficing > Good enough

Step 5: Alternative Choice

- Framing the decision as a “**gain**” or as a “**loss**” makes a difference
- => Plans A and B are framed as “losses”
- => Plans C and D are framed as “gains”
- DM's are **risk-averse** when options (tend to make more conservative decisions) are framed as “gains”
 - DM's are **risk-seeking** when options (tend to be make more risky decisions) are framed as “losses”

Step 6: Alternative Implementation

=> SELF EXPLANATORY

Step 7: Solution Evaluation

- Escalation of commitment and sunk costs

=> We tend to devote more and more resources (times, money) to a failing course of action in the hopes that we can “make up” for the losses we have incurred as a result of our decision

- **Sunk costs** are permanent losses of resources incurred as the result of a decision

- **Escalation of commitment** refers to the tendency to invest additional resources in an apparently failing course of action

- **Hindsight**: tendency to have a skewed interpretation of past events

=> “I knew it all along”

=> “We made a sound investment. I called it right.”

=> “We lost so much money. The market is bad.”

How Emotion & Mood Affect Decision-Making

- People in a positive (negative) mood tend to remember positive (negative) information

- People in positive (negative) mood tend to evaluate objects, people, and events more positively (negatively)

- People in a good mood tend to overestimate the likelihood that good events will occur and underestimate the occurrence of bad events (people in a bad mood do the opposite)

- People in a good mood adopt simplified, shortcut decision-making strategies, more likely violating the rational model

Group Decision-Making

- Why use groups?

- Advantages:

=> Decision quality *should* be higher

=> Decision acceptance and commitment

=> Diffusion of responsibility

- Disadvantages:

=> Time

=> Conflict

=> Domination

=> Groupthink

Lecture 10 – July 9, 2013

Chapter 12 – Power, Politics, and Ethics

Power: the capacity to influence others who are in a state of dependence

The Bases of Individual Power

- Legitimate Power: derived from a person’s position or job in an organization

- Reward Power: power derived from the ability to provide positive outcomes and prevent negative outcomes

- Coercive Power: power derived from the use of punishment and threat

- Referent Power: power derived from being well liked by others

- Expert Power: power derived from having special information or expertise that is valued by an organization

How do people obtain power?

- Extraordinary power => excellent performance in unusually or non-routine activities

- Visible activities => identifying visible activities and publicizing them

- Relevant activities => relevant to the solution of important organizational problems

Empowerment

- Giving people the authority, opportunity, and motivation to take initiative and solve organizational problems

Influence tactics – Putting People to Work

- Tactics that are used to convert power into actual influence over others
- => **Assertiveness** – ordering, nagging, setting deadlines, and verbal confronting
- => **Ingratiation** – using flattery and acting friendly, polite, or humble
- => **Rationality** – using logic, reason, planning, and compromise
- => **Exchange** – doing favours or offering to trade favours
- => **Upward appeal** – making formal or informal appeals to organizational superiors for intervention
- => **Coalition appeal** – seeking united support from other organizational members

Who wants power?

- McClelland's most effective managers
- => Have high *n* Pow
- => Use their power to achieve organizational goals
- => Adopt a participative or “coaching” leadership style
- => Are relatively unconcerned with how much others like them

Controlling Strategies Contingencies – How Subunits Obtain Power

- **Subunit power**: the degree of power held by various organizational subunits, such as departments
- **Strategic contingencies**: critical factors affecting organizational effectiveness that are controlled by key subunit
- => Scarcity
- => Uncertainty
- => Centrality
- => Substitutability

Organizational politics – Using & Abusing Power

- The pursuit of self-interest in organization, whether or not this self-interest corresponds to organizational goals

The Facets of Political Skill

- The ability to understand others at work and to use that knowledge to influence others to act in ways that enhance one's personal or organizational objectives
- => Social astuteness
- => Interpersonal influence
- => Apparent sincerity
- => **Networking ability**: establishing good relations with key organizational members and outsiders to accomplish one's goal

Machiavellianism: a set of cynical beliefs about human nature, morality, and the permissibility of using various tactics to achieve one's end

Defensiveness – Reactive Politics

- => **Sailing** - moving slowly when someone asks for your cooperation is the most obvious way of avoiding taking action without actually saying no
- => **Over conforming** - sticking to the strict letter of your job description or to organizational regulation
- => **Buck-passing** - having someone else take action
- => **Buffing** - carefully documenting information showing that an appropriate course of action was followed
- => **Scapegoating** - blaming others when things go wrong

The Nature of Ethical Dilemmas

- => **Honest communication** - evaluate subordinates candidly
- => **Fair treatment** - pay equitable

- => Special consideration - “fair treatment” can be modified for special cases
- => Fair competition - avoid bribes and kickbacks
- => Responsibility to organization - act for the good of the organization as a whole
- => Corporate social responsibility - do not pollute
- => Respect for law - follow law

Whistle-blowing: disclosure of illegitimate practice by a current or former organizational member to some person or organization that may be able to take action to correct these practices

Lecture 11 – July 16, 2013

Chapter 13 – Conflict and Stress

What is conflict?

- **Interpersonal conflict** is a process that occurs when one person, group, or organizational subunit frustrates the **goal attainment** of another
- Conflict often involves antagonistic attitudes and behaviours
- Is conflict ever **positive**?

Causes of Organizational Conflict

- Group identification and intergroup bias
- Interdependence
- Differences in power, status, and culture
- Ambiguity
- Scarce resources

Types of Conflict

- Relationship conflict => interpersonal tensions due to their relationship
- Task conflict => disagreements about the actual task to be done
- Process conflict => disagreements about the process (e.g., who does what)

Some Signs of Conflict

- “Winning” becomes all-important
- Info is concealed or distorted
- Each side becomes more cohesive
- Contact with the opposite party is discouraged
- Negative stereotyping
- More aggressive people may emerge as leaders

Avoiding

- **Low assertiveness** of one’s own interests and **low cooperation** with the other party
- When is this a **sensible** response?
- => The issue is trivial
- => Information is lacking
- => People need to cool down
- => The opponent is very powerful and hostile

Accommodating

- **Cooperate** with the other party (**high cooperation**), while **not asserting** one’s own interest
- It can be an effective strategy when:
 - => You are wrong
 - => The issue is more important to the other party
 - => You want to build good will

Competing

- **Maximizes assertiveness and minimizes cooperation**

=> It can be effective when:

- You have a lot of power
- You are sure of your facts
- The situation is truly win-lose
- You will not have to interact with the other party in the future
- **Creates a win-lose situation**

Compromise

- **Combines intermediate levels** of assertiveness and cooperation

- It is a sensible reaction when:

=> There is conflict stemming from scarce resources

=> You need a good fall-back position if other strategies fail

Collaborating

- **Maximizes both assertiveness and cooperation**

- An attempt to secure an **integrative agreement** that fully satisfies the interests of both parties (a **win-win** resolution)

- Works best when:

=> Conflict is not intense

=> Each party has information that is useful to the other

Managing Conflict with Negotiation

- A decision-making process among interdependent parties who do not share identical preferences

- An attempt to prevent or resolve existing conflict and to reach a satisfactory exchange among or between the parties

- There are **distributive** and **integrative** negotiation tactics

Distributive Negotiation

- **Win-lose** negotiation in which a fixed amount of assets is divided between parties

- A fixed pie is divided up between the parties

- A single-issue negotiation

Distributive Negotiation Tactics

- Threats and promises (**or bluffs**)

- Firmness (intransigence) versus concession

- Persuasion (Ex: debate)

- **Others:**

=> **Delay**

=> **Limited authority**

=> **Good cop/ bad cop**

Integrative Negotiation Tactics

- Copious information exchange

- Framing differences as opportunities (Ex: Bridging)

- Increasing resources (Ex: expanding the pie)

- Cutting costs

- Introducing superordinate goals

Lecture 12 – July 23, 2013

Chapter 10 – Communication

What is communication?

- The process by which **information** is **exchanged** between a sender and a receiver

Superior – Subordinate Relationships (Some Barriers)

- Conflicting Role Demand
 - => Balancing task and social – emotional functions
- The Mum Effect
 - => The tendency to avoid communicating unfavourable news to others

How Communication Flows

=> Downward

- From higher to lower levels in organizational hierarchy
- Ex: from supervisors to subordinates

Types of information:

- Information about organizational rules/ policies
- Instructions concerning job
- Feedback concerning job performance

=> Upward:

- From lower to higher in organizational hierarchy
- Ex: from subordinates to supervisors

Types of information:

- Routine information about lower-level operations
- Notification about problems
- Complaints and suggestions
- Feedback about ways to improve process

=> Lateral/ horizontal:

- At the same level in organizational hierarchy
- Ex: Between employees of same rank in same or different departments

Types of information:

- Exchange of news and information
- Related to interpersonal relationships
- **Informal** – does not follow the official chain of command

Nonverbal Communication

- The transmission of messages by some medium other than speech or writing
- Major forms include:
 - Props, artifacts, and costumes
 - Office décor and arrangement
 - Clothing
 - Body language
 - Communication by means of the sender's bodily motions, facial expressions, or physical location

Gender Differences in Communication

=> Getting credit

- Men are more likely than women to blow their horn about something good they have done

=> Confidence and boasting

- Men tend to be more boastful about themselves and their capabilities

=> Asking questions

- Men are less likely to ask question

- Referred to as the one up, one down phenomenon

=> **Apologies**

- Men avoid ritual apologies because it is a sign of weakness

=> **Feedback**

- Men are more blunt and straightforward

=> **Compliments**

- Women are more likely to provide compliments

=> **Ritual opposition**

- Men often use ritual opposition as a form of communication and to exchange idea. They attack others' point of view, challenging then in public, and being argumentative

=> **Managing up and down**

- Men tend to spend more time communicating with their superiors and talking about their achievements

- Women tend to downplay their superiority, leading others to believe that they can't project their authority

=> **Indirectness**

- Women in position of authority tend to be indirect when giving orders

Organizational Efforts to Increase Communication

=> Performance appraisal – 360 Degree Feedback

- Performance appraisal that uses the input of supervisors, employees, peers, and clients or customers of the appraised individual

=> Employee survey

- An anonymous questionnaire to state their candid opinions and attitudes about an organization and its practices

=> Suggestion systems

- Programs designed to enhance upward communication by soliciting ideas for improved work operations from employees

=> Hotlines/intranets/webcasts => Management Training

Chapter 14 – Organizational Structure

What is organization structure?

- How job tasks are formally divided, groups and coordinated

Vertical Division of Labour

- Appointing authority for planning and decision-making

- President => Vice Presidents => etc.

- Two Important Concepts:

=> Chain of Command

=> Span of Control

- Flat and Tall Organizations:

=> A *flat* organization has relatively few levels in its hierarchy of authority

=> A *tall* organization has relatively many levels in its hierarchy of authority

Horizontal Division of Labour

- The horizontal division of labour groups the basic tasks that must be performed into jobs and then into departments

Departmentalization

- The basis on which jobs are grouped together

- Core aspect of the horizontal division of labour

- Types:

=> Functional

=> Product

=> Geographic

=> Process

=> Customer

Matrix Departmentalization

- Employees remain members of a functional department while also reporting to a product or project manager
- Capitalize on strengths of functional and product
- Balance between both
- Best in a medium-sized organization
- Sharing resources